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February 25, 2010

To: Chair Coggs and Members of the Senate Committee on Labor, Elections and Urban Affairs; Co-Authors Senator Plale and Representative Zepnick

From: Marla L. Britton, Chair of the Wisconsin Real Estate Appraiser's Board on behalf of the members of the Board

Re: AB 472/SB 339, relating to certification and licensure of real estate appraisers

I am writing to you today as the Chair of the Real Estate Appraiser's Board on behalf of the Board. The mission of our Board is to protect the citizens of the state of Wisconsin by ensuring safe and competent practice of licensed professionals.

The Board has gone on record at its November 11, 2009 meeting and again at its meeting yesterday, February 24, opposing all amendments to AB 472. In order for us to accomplish our mission, we are requesting that AB 472 in its original writing be approved and that Amendment 2 be removed from the language.

As a Board, we are limited to disciplining individuals who are licensed through the Department of Regulation and Licensing as a Licensed Real Estate Appraiser, a Certified Residential Real Estate Appraiser, or a Certified General Real Estate Appraiser. Individuals practicing as an appraiser without one of the above licenses are currently outside of our Board ability to discipline; thus hindering our ability to protect the citizens of the State.

AB 472 as originally written provides our Board with the ability to protect the citizens of the State by requiring individuals completing appraisals to be licensees in the State. This mandatory licensing is quite similar to the existing licensing requirements of real estate sales persons and brokers in the practice of selling or buying real estate. The original Bill provided for very limited practice outside of the profession by non-licensees.

Approving Amendment 2 to AB 472 is not in the interest of the public. Amendment 2 allows for continued appraisal by non-licensees making the mission of the Board difficult to fulfill. Additionally, there is no specific language in the rules or statutes for discipline of real estate agents acting in the capacity of a real estate appraiser under the Real Estate Board to ensure safe and competent practice of licensed professionals to protect the citizens of the State.

The purpose of AB 472 is to provide the public confidence in the appraisal process by requiring that appraisers be licensed or certified by the state. Allowing real estate

agents and brokers to provide opinions of value is akin to allowing real estate brokers to practice law without a license.

Obtaining an independent and objective opinion of value is necessary for many purposes other than a real estate transaction or a mortgage, including divorce & estate settlements, tax appeals, eminent domain proceedings, conservation easements, etc.

AB 472 already includes a significant exemption from appraiser licensing/certification requirements that will permit a real estate agent or broker to perform a Broker Market Analysis to "establish a listing price or to set a purchase price for a property".

We support this limited exemption that is already included in AB 472. This exemption is similar to the laws regarding the use of broker market analyses in 23 other states.

If a real estate broker wishes to provide opinions of value for purposes other than real estate transactions, then they should obtain the education and training that is necessary for licensing by the language proposed in AB 472. This is the same for a real estate appraiser wanting to act as a real estate salesperson or broker; they are required currently to obtain the necessary education and licensing to engage in the practice of real estate.

I strongly urge you to oppose Amendment 2 to AB 472. Assembly Bill 472 should be approved by the Senate Committee on Labor, Elections and Urban Affairs in its original form without amendment.

The real estate appraiser profession in Wisconsin needs strong implementation to protect more than just the buying public. Our Board's duties are protection of all of the citizens of the State.

The most distinguishing difference between real estate agents and real estate appraisers is bias. Real Estate agents are to be advocates and may have an undisclosed bias when completing valuations as they are positioning themselves for future listings or client referrals. As licensed appraisers, the Standards require the appraiser to certify that they are unbiased and have no present or future interest in the real estate.

Mandatory licensing provides the Real Estate Appraisers Board with the necessary tools to protect the citizens and to ensure safe and competent practice of licensed professionals. No one will be allowed to fall through the cracks. Real Estate, whether by sale, purchase, gift, exchange, partition, receipt by heirs, or by will is typically the most expensive asset of any individual. All citizens deserve the same level of protection and assurance of safe and competent practice to the same extent as purchasers and sellers of real estate.

**PLEASE VOTE FOR AB 472 IN ITS ORIGINAL WRITING.**

Marla L. Britton, Chair  
Wisconsin Real Estate Appraisers Board